

Bond Connect Activities Turnover Up 68.5% in August

30 August 2019

During the past month, Bond Connect broke record highs in monthly trading volume at RMB 338.6 billion with 3338 trade tickets, average daily turnover at RMB 15.39 billion, and the highest single day turnover at RMB 23.76 billion on 29 August.

Investor Adoption

By the end of August, Bond Connect has drawn in 1244 institutional investors, with another 110 investors onboarded during the month. In August, Bond Connect welcomed its first investor from Italy, expanding coverage to 31 jurisdictions globally. The scheme has engaged 61 out of the top 100 global asset managers, with more in the pipeline.

Trading

With continued strengthening activities from May to July, the monthly turnover for August rose to another record high of RMB 338.6 billion, up 68.5% from RMB 201.0 billion last month. Trading in policy financial bonds, Chinese government bonds and NCDs remained dominant, with turnover of RMB 188.6 billion, RMB 97.8 billion, and RMB 44.1 billion respectively, accounting for 55.7%, 28.9%, and 13.0% of the monthly trading volume. In terms of tenor, bonds with maturity from 7 to 10 years and under 1 year remain the most attractive, taking up 43.2% and 21.6% of total activities.

Primary Market

In August, BCCL's Primary Market Information Platform disclosed the pre- and post-issuance information of 209 bonds from 18 issuers and underwriters, covering PFBs, NCDs, ABSs, financial bonds, financial commercial papers and Tier 2 Capital bond.

Scheme Enhancements

On August 19, Bond Connect updated the "Admission Guidance for Investor from Specific Jurisdictions" to include guidance for investors from Canada and India. Investors of these jurisdictions can now submit applications directly to BCCL or through Access Platforms, instead of only via Access Platforms previously.

Bond Connect started to offer T+3 settlement cycle with effect from 23 August 2019, enabling global investors to choose from T+0, T+1, T+2, or T+3 settlement for Bond Connect trades at their own discretion. The extension to longer settlement cycle facilitates the flexibility for international investors to tap into the Chinese fixed income market. The new function is now available on Tradeweb and Bloomberg's trading interfaces.

Bond Connect also rolled out the [NCD Primary Subscription Guidebook](#), providing a step-by-step approach for global investors to purchase Chinese NCDs in the primary market. BCCL will serve the registered investors of Bond Connect in their activation of the NCD primary subscription service and the subsequent order placement for any NCD newly issued in the China Interbank Bond Market.

Ends